



**CENTRAL INTELLIGENCE AGENCY**


Office of Congressional Affairs

Washington, D.C. 20505

Telephone: 351-6136 1 Jul 86

**TO:** Mr. Richard Kaufman  
Joint Economic Committee  
United States Congress

Please find the enclosed response from  
Richard Kerr.

  
Chief, Senate Branch

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FORM  
2-86

**1533**

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DDI 03136x-86

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Washington, D.C. 20505

DDI-03136 X-86

1 JUL 1986

Mr. Richard Kaufman  
General Counsel  
Joint Economic Committee  
United States Congress  
Washington, D.C. 20510

Dear Mr. Kaufman:

The enclosed table is provided in response to your request for more detailed comparisons of US and Soviet defense activities. It compares US and Soviet cumulative production and procurement costs in 1984 dollars for several categories of major weapon systems for the periods 1975-79 and 1980-84.

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Because of the nature of the data, you should keep several points in mind when reviewing the table:

- The procurement costs contain more than the production costs for the programs listed. They also include procurement costs associated with the purchase of major replenishment spares, modification programs, ground support equipment, training simulators and other equipment purchases which by US accounting rules are considered procurement items and therefore associated with individual programs. We have attempted to make the Soviet costs comparable by adding, for example, the cost of replenishment spares.
- The cumulative costs listed do not necessarily correspond with the production numbers for that particular time period because the manufacturing process for a given item will often be longer than a year. This is true for large items such as submarines and major surface combatants and for the first units of series production of smaller units such as aircraft and ballistic missiles. As a result, one cannot derive average weapon costs by dividing cumulative costs by cumulative production during a given five-year period.

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Mr. Richard Kaufman

-- We cannot guarantee that the US and Soviet costs are comparable because of the nature of the US data. We obtain our US cost data from DoD's Five Year Defense Plan which allocates costs by program element and resource category. While this is adequate for allocating costs by mission, it makes it difficult to compare costs at lower levels of aggregation because we can only make educated guesses as to what types of equipment purchases are being captured under each program element. The US Army, for example, lumps nearly all procurement outlays for equipping the combat divisions in Western Europe under one program element, therefore making it impossible to isolate those costs associated with individual weapon categories. [REDACTED]

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I hope these data meet to your needs. If you have any further questions, please don't hesitate to call me. [REDACTED]

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Sincerely,

[REDACTED]

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Richard J. Kerr  
Deputy Director for Intelligence

Enclosure

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SUBJECT: Letter to Richard Kaufman from DDI

DI/SOVA/DEIG [ ] (30 Jun 86)

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**US and Soviet Major Weapons Production and  
Associated Program Costs, 1975-84**

	1975-79		1980-84	
	<u>US</u>	<u>USSR</u>	<u>US</u>	<u>USSR</u>
<b>ICBMs</b>				
Production	223	1288	--	408
Costs (billion 1984 dollars)	4.30	20.60	2.65 <sup>a</sup>	10.90
Programs	MM-III	SS-11 M2/3 SS-13 SS-16 SS-17 SS-18 SS-19	--	SS-13 SS-17 SS-18 SS-19 SS-25
<b>SLBMs</b>				
Production	129	330	424	321
Costs (billion 1984 dollars)	3.40	5.00	4.70	4.10
Programs	Poseidon C-3 Trident C-4	SS-N-8 SS-N-18	Trident C-4	SS-N-18 SS-N-20
<b>SSBNs</b>				
Production	--	23	5	8
Costs (billion 1984 dollars)	6.00 <sup>b</sup>	16.50	6.40	14.30
Programs	--	Delta I Delta II Delta III	Ohio (Trident)	Delta III Delta IV Typhoon
<b>Heavy Bombers</b>				
Production				32
Costs (billion 1984 dollars)	2.60 <sup>c</sup>	0.20	5.20 <sup>c</sup>	1.40
Programs	--	--	--	Bear H

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US and Soviet Major Weapons Production and  
Associated Program Costs, 1975-84 (continued)

	1975-79		1980-84	
	<u>US</u>	<u>USSR</u>	<u>US</u>	<u>USSR</u>
<b>MR/IRBMS</b>				
Production	--	276	--	420
Costs (billion 1984 dollars)	-- <sup>d</sup>	4.10	-- <sup>d</sup>	4.80
Programs	--	SS-20	--	SS-20
<b>Peripheral Bombers</b>				
Production	--	60	--	423
Costs (billion 1984 dollars)	--	3.30	--	8.80
Programs	--	Backfire	--	Backfire Fencer
<b>Strategic Defense Interceptors</b>				
Production	--	944	36	428
Costs (billion 1984 dollars)	0.10	10.00	0.22 <sup>e</sup>	5.50
Programs	--	SU-15 Flagon MIG-23 Flogger MIG-25 Foxbat	F-15	MIG-23 Flogger MIG-31 Foxhound SU-27 Flanker
<b>Strategic SAMS</b>				
Production	--	27470	--	15740
Costs (billion 1984 dollars)	--	3.40	--	5.50
Programs	--	SA-2	--	SA-2
	--	SA-3	--	SA-3
	--	SA-5	--	SA-5
	--	SA-10	--	SA-10
<b>Tactical Combat Aircraft</b>				
Production	1625	3702	1883	2682
Costs (billion 1984 dollars)	33.90	35.20	56.70	27.00

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**US and Soviet Major Weapons Production and  
Associated Program Costs, 1975-84 (continued)**

	1975-79		1980-84	
	<u>US</u>	<u>USSR</u>	<u>US</u>	<u>USSR</u>
Programs	F-4 A-4 A-6 A-7 AV-8 F-5 F-15 F-16 F-14 F-18 A-10 F-111	MIG-23/27 Flogger MIG-21 Fishbed YAK-36 Forger MIG-25 Foxbat SU-17 Fitter	A-6 A-7 F-15 F-16 F-18 A-10 AV-8 F-5 F-14	MIG-23/27 Flogger MIG-25 Foxbat YAK-36 Forger SU-17 Fitter SU-25 Frogfoot SU-27 Flanker MIG-29 Fulcrum MIG-31 Foxhound
<b>Carriers</b>				
Production	2	--	1	--
Costs (billion 1984 dollars)	1.73	--	5.00	0.30 <sup>f</sup>
Programs	--	--	Nimitz	--
<b>Major Surface Combatants</b>				
Production	30	44	51	32
Costs (billion 1984 dollars)	7.80	11.20	14.70	10.70
Programs	California CGN Virginia CGN Spruance DD O.H. Perry FFG Knox FF	Kiev CVNG Kara CG Kresta II CG Krivak I/II FFG Grisha I/II FFL	Virginia CGN Ticonderoga Kidd DDG Spruance DD O.H. Perry Frigate	Kiev CVHG Kirov CGN Slava CG Udaloy DDG Sovremenny DDG Krivak I/II FFG Grisha I/II IV FFL
<b>G. P. Submarines</b>				
Production	11	27	20	37
Costs (billion 1984 dollars)	5.50	18.70	5.40	23.10

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US and Soviet Major Weapons Production and  
Associated Program Costs, 1975-84 (continued)

	1975-79		1980-84	
	<u>US</u>	<u>USSR</u>	<u>US</u>	<u>USSR</u>
Programs	G.P. Lipscomps SSN Los Angeles SSN Sturgeon SSN	Charlie II SSGN Oscar SSGN Victor I/II III SSN Alfa SSN Tango SS	Los Angeles SSN	Charlie II SSGN Oscar SSGN Victor III SSN Alfa SSN Mike SSN Sierra SSN Akula SSN Tango SS Kilo SS
<b>Fixed Wing</b>				
<b>Transport Aircraft</b>				
Production	--	443	--	473
Costs (billion 1984 dollars)	1.64	7.45	4.42	7.00
Programs	-- <sup>9</sup> -- -- --	IL-76 Candid IL-62 Classic AN-22 Cock AN-26 Curl	-- <sup>9</sup> -- -- --	IL-76 Candid IL-62 Classic TU-134 Crusty AN-26 Curl
<b>ALCMS</b>				
Production	--	--	1273	110
Costs (billion 1984 dollars)	0.20	--	2.10	0.02
Programs Included	AGM-86	--	AGM-86	AS-15
<b>SLCMS</b>				
Production	--	--	101	110
Costs (billion 1984 dollars)	--	--	0.70	0.03
Programs Included	--	--	BGM-109/A/B/C	SS-N-21

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US and Soviet Major Weapons Production and  
Associated Program Costs, 1975-84 (continued)

	1975-79		1980-84	
	<u>US</u>	<u>USSR</u>	<u>US</u>	<u>USSR</u>
<b>GLCMs</b>				
Production	--	--	108	--
Costs (billion 1984 dollars)	--	--	1.00	--
Programs Included	--	--	BGM-109G	--

<sup>a</sup> The US did not procure any ICBM boosters during the 1980-84 period although there were costs associated with MM III modernization and early Peacekeeper ICBM procurement costs.

<sup>b</sup> US procurement costs reflect costs associated with the Ohio class leadship and the conversion of older Poseidon SSBNs so that they can carry the new Trident SLBM.

<sup>c</sup> US procurement outlays reflect modifications to existing B-52s, including those necessary for the deployment of the ALCM.

<sup>d</sup> We cannot determine the procurement costs associated with the Pershing II MRBM with the data we have.

<sup>e</sup> Most of the F-15s were transferred from existing tactical squadrons. The cost data presented therefore understate the actual procurement outlays.

<sup>f</sup> Soviet dollar procurement costs reflect early construction activities for a CVN that has a projected completion date of 1989.

<sup>g</sup> The United States procured no new fixed wing transport aircraft during the 1975-84 period. It did, however, undertake the extensive modernization of existing aircraft, particularly the C-141 and the C-5.

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30 May 1986

## MEMORANDUM FOR THE RECORD

SUBJECT: Meeting with Richard Kaufman, General Counsel  
of the Joint Economic Committee (JEC)

1. On 28 May [ ] I met with Richard Kaufman to discuss Senator Proxmire's request (growing out of the DDI's testimony before the JEC) for a detailed list of our estimates of the dollar costs of all Soviet military equipment currently in production. In our initial response we suggested a meeting to discuss this request and indicated we thought the price data did not lend itself to the use the Committee had in mind. As a preamble to the consideration of the price request, we discussed the current draft of the US-USSR defense comparisons paper. (Kaufman was impressed with the paper and stayed into the afternoon to read most of it.) [ ]

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2. After reviewing our detailed estimates of weapon production and their costs at length and getting a better understanding of their complexity, Kaufman agreed to a counter proposal. Rather than the list of prices originally requested, he accepted as more useful, a comparison of selected sets of US and Soviet weapon programs expressed in terms of numbers produced and total outlays for that production. He requested these data be presented cumulatively for the 1975-79 and 1980-84 time periods and include a list of the programs included in each set. The sets of programs discussed are listed in the Annex. I told Kaufman we would call him in a few days and tell him how much we could do (I stated the US data might limit us) and when we could complete the work (I said it could take a few weeks). [ ]

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3. The format of the response could be as follows:

	<u>1975-79</u>		<u>1980-84</u>	
	<u>USSR</u>	<u>US</u>	<u>USSR</u>	<u>US</u>
ICBMs				
Production (Boosters)	600	100	500	--
Costs (billions)	2.6	.5	2.8	--

<u>Programs included</u>	<u>1975-79</u>	<u>1980-84</u>
USSR	SS-16 SS-18 SS-19	SS-18 SS-19 SS-24
US	Minuteman III	--

[REDACTED]

SOVA Manager/Military-Economic  
Data Base and Force Projections

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Attachment:  
As stated

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(30 May 1986)

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Annex

Selected Sets of US and Soviet Weapon Programs

Strategic Programs

Intercontinental Attack

ICBMs

Ballistic Missile Submarines

Nuclear and Diesel Subs Separate  
Missiles

Bombers

Peripheral Attack

MR/IRBMS

Ballistic Missile Submarines

Nuclear and Diesel Separate  
Missiles

Bombers

Strategic Defense

SAMs

Interceptor Aircraft

Ground Forces

Tanks

APCs

Artillery

Frontal Aviation

Fighters/Interceptors/Ground Support

Helicopters

Naval Forces

Carriers (Nuclear and Diesel Separate)

Major Surface Combatants (Nuclear and Diesel)

Attack Submarines (Nuclear and Diesel)

Mobility Forces

Air Lift

Fixed Wing

Helicopters

Sea Lift

Cruise Missiles

Air Launched

Sea Launched

Ground Launched